



General Assembly

February Session, 2000

Raised Bill No. 524

LCO No. 2073

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***An Act Making Changes And Corrections To The Corporation
Business Tax, Utilities Gross Earnings Tax, Excise Taxes, The
Personal Income Tax and Other Tax Laws.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subparagraph (A) of subdivision (20) of subsection (a) of
2 section 12-213 of the general statutes is repealed and the following is
3 substituted in lieu thereof:

4 (20) (A) "Carrying on or doing business" means and includes each
5 and every act, power or privilege exercised or enjoyed in this state, as
6 an incident to, or by virtue of, the powers and privileges acquired by
7 the nature of any organization whether the form of existence is
8 corporate, associate, joint stock company or fiduciary, and includes the
9 direct or indirect engaging in, transacting or conducting of activity in
10 this state by an electric supplier, as defined in section 16-1, as
11 amended, or generation entity or affiliate, as defined in section 16-1,
12 [or,] as amended, for the purpose of establishing or maintaining a
13 market for the sale of electricity or of electric generation services, as
14 defined in section 16-1, as amended, to end use customers located in
15 this state through the use of the transmission or distribution facilities

16 of an electric distribution company, as defined in section 16-1, as
17 amended, or, until unbundled in accordance with section 16-244e,
18 electric company, as defined in section 16-1, as amended.

19 Sec. 2. Subsection (a) of section 12-217e of the general statutes is
20 repealed and the following is substituted in lieu thereof:

21 (a) There shall be allowed as a credit against the tax imposed by this
22 chapter an amount equal to twenty-five per cent of that portion of such
23 tax which is allocable to any manufacturing facility, provided, for any
24 such facility which is located in an enterprise zone designated
25 pursuant to section 32-70 or in a municipality with an entertainment
26 district designated under section 32-76 or established under section 2
27 of public act 93-311* and which became eligible as a manufacturing
28 facility after the designation of such zone and for which not less than
29 one hundred fifty full-time employees or thirty per cent of the full-time
30 employment positions directly attributable to the manufacturing
31 facility were, during the last quarter of the income year of the
32 taxpayer, held by employees of the taxpayer who at the time of
33 employment were (1) residents of such zone, or (2) residents of such
34 municipality and eligible for training under the Federal
35 Comprehensive Employment Training Act or any other training
36 program that may replace the Comprehensive Employment Training
37 Act, a credit of fifty per cent shall be allowed. A position is directly
38 attributable to the manufacturing facility if: (A) The work is performed
39 or the base of operations is at the facility; (B) the position did not exist
40 prior to the construction, renovation, expansion or acquisition of the
41 facility; and (C) but for the construction, renovation, expansion or
42 acquisition of the facility, the position would not have existed,
43 provided nothing in this section shall preclude a position from being
44 considered directly attributable to a manufacturing facility if such
45 position formerly existed in an eligible manufacturing facility under
46 section 32-9r, as amended by this act.

47 Sec. 3. Section 12-217s of the general statutes is repealed and the

48 following is substituted in lieu thereof:

49 There shall be allowed as a credit against the tax imposed on any
50 corporation under this chapter which participates in the traffic
51 reduction program established under section 13b-38p and conducted
52 in this state, except corporations employing fewer than one hundred
53 employees, with respect to any taxable year of such corporation
54 commencing on or after January 1, 1997, an amount equal to fifty per
55 cent of the amount spent in this state by such corporation, on or after
56 January 1, 1995, for the direct costs of traffic reduction programs and
57 services related thereto [instituted] conducted in this state by such
58 corporation in response to the provisions of sections 13b-38o, 13b-38p,
59 13b-38t, 13b-38v, as amended, and 13b-38x, not to exceed two hundred
60 fifty dollars annually per employee employed in this state and
61 participating in alternative means of commuting pursuant to traffic
62 reduction programs conducted in this state . The total amount of
63 credits available under the provisions of this section shall not exceed
64 one million five hundred thousand dollars. The Department of
65 Transportation shall adopt regulations in accordance with the
66 provisions of chapter 54 which shall include, but not be limited to,
67 establishing procedures for a corporation to obtain and qualify for the
68 tax credit.

69 Sec. 4. Subdivision (5) of subsection (a) of section 12-217u of the
70 general statutes is repealed and the following is substituted in lieu
71 thereof:

72 (5) "Financial institution" means any bank, holding company or out-
73 of-state bank, as those terms are defined in section 36a-2, or out-of-
74 state holding company, as that term is defined in section 36a-410,
75 which directly or indirectly establishes an office in Connecticut and is
76 subject to the supervision of or regulation by the Commissioner of
77 Banking pursuant to title 36a or by one or more federal banking
78 agencies pursuant to applicable federal law. "Financial institution" also
79 means any establishment described in major group 61 or 62 in the

80 Standard Industrial Classification Manual, United States Office of
81 Management and Budget, 1987 edition, or in Subsector 522 or 523 in
82 the North American Industrial Classification System, United States
83 manual, United States Office of Management and Budget, 1997 edition,
84 as engaged primarily in the extending of credit in the form of loans or
85 the underwriting, purchase, sale or brokerage of securities and other
86 financial contracts on their own account or for the account of others,
87 and exchanges, exchange clearinghouses and other services allied with
88 the exchange of securities and commodities or a holding company
89 controlling any such establishment.

90 Sec. 5. Subdivision (2) of subsection (a) of section 12-217y of the
91 general statutes, as amended by section 1 of public act 99-203, is
92 repealed and the following is substituted in lieu thereof:

93 (2) "Qualifying employee" means [(A) during fiscal year 1999, any
94 employee who is employed not less than twenty-five hours per week
95 by the same business firm and who, at the time of being hired by such
96 business firm, is and has been receiving benefits from the temporary
97 family assistance program for more than nine months and meets other
98 requirements that the Labor Commissioner may establish in
99 regulations adopted in accordance with chapter 54, or (B)] during [and
100 after] fiscal year 2000 or with respect to the business firm's income year
101 commencing in 2000 or thereafter, any employee who is employed not
102 less than thirty hours per week by the same business firm and who, at
103 the time of being hired by such business firm, is and has been receiving
104 benefits from the temporary family assistance program for more than
105 nine months and meets other requirements that the Labor
106 Commissioner may establish in regulations adopted in accordance
107 with chapter 54. For [purpose] purposes of this subdivision, the
108 number of hours per week an employee participates in a job training
109 program approved by the Labor Commissioner shall be included in
110 calculating the number of hours such employee is employed.

111 Sec. 6. Subdivision (1) of subsection (c) of section 12-223a of the

112 general statutes is repealed and the following is substituted in lieu
113 thereof:

114 (c) (1) (A) In the case of a combined return, the tax shall be
115 measured by the sum of the separate net income or loss of each
116 corporation included or the minimum tax base of the included
117 corporations but only to the extent that said income, loss or minimum
118 tax base of any included corporation is separately apportioned to
119 Connecticut in accordance with the provisions of section 12-218, as
120 amended, 12-219a or 12-244, whichever is applicable. In computing
121 said net income or loss, intercorporate dividends shall be eliminated,
122 and in computing the combined additional tax base, intercorporate
123 stockholdings shall be eliminated.

124 (B) In computing said net income or loss, any intangible expenses
125 and costs, as defined in section 12-218c, any interest expenses and
126 costs, as defined in section 12-218c, and any income attributable to
127 such intangible expenses and costs or to such interest expenses and
128 costs shall be eliminated provided the corporation that is required to
129 make adjustments under section 12-218c for such intangible expenses
130 and costs or for such interest expenses and costs, and the related
131 member or members, as defined in section 12-218c, are included in
132 such combined return. If any such income and any such expenses and
133 costs are eliminated as provided in this subparagraph, the intangible
134 property, as defined in section 12-218c, of the corporation eliminating
135 such income shall not be taken into account in apportioning under the
136 provisions of section 12-219a the tax calculated under subsection (a) of
137 section 12-219 of such corporation.

138 Sec. 7. Subsection (e) of section 12-242d of the general statutes is
139 repealed and the following is substituted in lieu thereof:

140 (e) "Required annual payment" means the lesser of (1) ninety per
141 cent of the tax shown on the return for the income year, or, if no return
142 is filed, ninety per cent of the tax for such year, or (2) if the preceding
143 income year was an income year of twelve months and if the company

144 filed a return for the preceding income year showing a liability for tax,
145 one hundred per cent of the tax shown on the return for the next
146 preceding income year. [without regard to any credit under this
147 chapter.]

148 Sec. 8. Subsection (b) of section 12-264 of the general statutes is
149 repealed and the following is substituted in lieu thereof:

150 (b) (1) Each such company and municipal utility shall, on or before
151 the last day of January, April, July and October of each year, render to
152 the Commissioner of Revenue Services a return on forms prescribed or
153 furnished by the commissioner and signed by its treasurer or the
154 person performing the duties of treasurer, or by an authorized agent or
155 officer, specifying [(1)] (A) the name and location of such company or
156 municipal utility, [(2)] (B) the amount of gross earnings from
157 operations for the quarter ending with the last day of the preceding
158 month, [(3)] (C) the gross earnings from the sale or rental of appliances
159 using water, steam, gas or electricity and the cost of such appliances
160 sold, cost to be interpreted as net invoice price plus transportation
161 costs of such appliances, [(4)] (D) the gross earnings from all sales for
162 resale of water, steam, gas and electricity, whether or not the
163 purchasers are public service corporations, municipal utilities, located
164 in the state or subject to the tax imposed by this chapter, [(5)] (E) the
165 number of miles of water or steam pipes, gas mains or electric wires
166 operated by such company or municipal utility within this state on the
167 first day and on the last day of the calendar year immediately
168 preceding, and [(6)] (F) the number of miles of water or steam pipes,
169 gas mains or electric wires wherever operated by such company or
170 municipal utility on said dates. Gas pipeline and gas transmission
171 companies which do not manufacture or buy gas in this state for resale
172 in this state shall be subject to the provisions of chapter 208 and shall
173 not be subject to the provisions of this chapter and chapter 212a.

174 (2) No person, firm, corporation or municipality which is chartered
175 or authorized by this state to transmit or sell gas within a franchise

176 area shall transmit gas for any person which sells gas to be used for
 177 light, heat or power to an end user or users located in this state, unless
 178 such seller has registered with the Department of Revenue Services for
 179 purposes of the tax imposed under this chapter. The provisions of this
 180 subdivision shall not apply to the transmission of gas for any seller
 181 which is a gas company, as defined in section 16-1, as amended,
 182 municipal gas utility established under chapter 101 or any other gas
 183 utility owned, leased, maintained, operated, managed, or controlled by
 184 any unit of local government under any general statute or any public
 185 or special act, or a gas pipeline or gas transmission company subject to
 186 the provisions of chapter 208.

187 (3) The Commissioner of Revenue Services may make public the
 188 names and addresses of each person which sells gas to be used for
 189 light, heat or power to an end user or users located in this state, which
 190 has registered with the Department of Revenue Services for purposes
 191 of the tax imposed under this chapter, and which is not a gas company,
 192 as defined in section 16-1, as amended, a municipal gas utility
 193 established under chapter 101 or any other gas utility owned, leased,
 194 maintained, operated, managed, or controlled by any unit of local
 195 government under any general statute or any public or special act, or a
 196 gas pipeline or gas transmission company subject to the provisions of
 197 chapter 208.

198 Sec. 9. Subsection (c) of section 12-265 of the general statutes is
 199 repealed and the following is substituted in lieu thereof:

200 (c) The rate of tax on the sale, furnishing or distribution of electricity
 201 or natural gas for use directly by a company engaged in a
 202 manufacturing production process, in accordance with the Standard
 203 Industrial Classification Manual, United States Office of Management
 204 and Budget, 1987 edition, classifications 2000 to 3999, inclusive, or
 205 Sector 31, 32 or 33 in the North American Industrial Classification
 206 System United States manual, United States Office of Management and
 207 Budget, 1997 edition, shall be four per cent with respect to calendar

208 quarters commencing on or after January 1, 1994, and prior to January
209 1, 1995, three per cent with respect to calendar quarters commencing
210 on or after January 1, 1995, and prior to January 1, 1996, and two per
211 cent with respect to calendar quarters commencing on or after January
212 1, 1996, and prior to January 1, 1997. The sale, furnishing or
213 distribution of electricity or natural gas for use by a company as
214 provided in this subsection shall not be subject to the provisions of this
215 chapter with respect to calendar quarters commencing on or after
216 January 1, 1997. Not later than thirty days after May 19, 1993, and
217 thirty days after the effective date of each rate decrease provided for in
218 this section, each electric and gas public service company, as defined in
219 section 16-1, as amended, which does not have a proposed rate
220 amendment under section 16-19 pending before the Department of
221 Public Utility Control at such time, shall request the department to
222 reopen the proceeding under section 16-19 on the company's most
223 recent rate amendment, solely for the purpose of decreasing the
224 company's rates to reflect the decreases required under this section.
225 The department shall immediately reopen such proceedings, solely for
226 such purpose.

227 Sec. 10. Section 12-286 of the general statutes is repealed and the
228 following is substituted in lieu thereof:

229 (a) (1) The commissioner shall, after May 25, 1994, require for an
230 initial application for a distributor's license, in addition to such other
231 information deemed to be necessary, the filing of three affidavits from
232 three recognized manufacturers of cigarettes stating such
233 manufacturers' intent to supply the distributor if the applicant is
234 granted a license. A chain store shall be exempt from filing such
235 affidavits. Any pending application on May 25, 1994, and any person
236 purchasing the business of a licensed distributor shall be exempt from
237 filing such affidavits. For purposes of this subsection, "chain store"
238 means the operator or franchisor of five or more retail establishments
239 with common ownership and control.

240 (2) The commissioner may make a public list of recognized
241 manufacturers of cigarettes.

242 (b) A separate license shall be required for each class of business if
243 the applicant is engaged in business both as a distributor and dealer.
244 The commissioner shall prescribe the form of application for a
245 distributor's license and for a dealer's license. Each license so issued
246 shall be conspicuously displayed on the premises covered by the
247 license.

248 (c) The commissioner shall make regulations not inconsistent with
249 the law for the licensing of vending machines.

250 (d) The commissioner may, in his discretion, refuse to issue a license
251 if he has reasonable ground to believe (1) that the applicant has
252 wilfully made any false statement of substance with respect to such
253 application for license, (2) that the applicant has neglected to pay any
254 taxes due to this state or (3) that the applicant has been convicted of
255 violating any of the cigarette tax laws of this or any other state or the
256 cigarette tax laws of the United States or has such a criminal record
257 that the commissioner reasonably believes that such applicant is not a
258 suitable person to be issued a license, provided no refusal shall be
259 rendered under this subdivision except in accordance with the
260 provisions of sections 46a-80 and 46a-81. [Each license so issued shall
261 be conspicuously displayed on the premises covered by the license.]

262 (e) Any person who knowingly sells, offers for sale or possesses
263 with intent to sell any cigarettes, without a license as provided in this
264 chapter, shall be fined not more than five hundred dollars or
265 imprisoned for not more than three months, or both, for each offense.
266 Each day of such unauthorized operation may be deemed a separate
267 offense. [The commissioner shall prescribe the form of application for a
268 distributor's license and for a dealer's license. For purposes of this
269 section, "chain store" means the operator or franchisor of five or more
270 retail establishments with common ownership and control.]

271 Sec. 11. Section 12-330d of the general statutes is repealed and the
272 following is substituted in lieu thereof:

273 Each licensed distributor and each licensed unclassified importer
274 shall file with the commissioner, on or before the [tenth] twenty-fifth
275 day of each month, a report for the calendar month immediately
276 preceding in such form and containing such information as the
277 commissioner may [, by regulations adopted in accordance with
278 chapter 54,] prescribe. The return shall be accompanied by a payment
279 of the amount of the tax shown to be due thereon. The commissioner
280 may, by regulations adopted in accordance with chapter 54, require
281 that each distributor and unclassified importer report the names and
282 addresses of their customers, if any, annually, with changes in such
283 lists to be reported to the commissioner monthly not later than the
284 tenth day of each month. If any person fails to pay the amount of tax
285 reported due on its report within the time specified under this section,
286 there shall be imposed a penalty equal to ten per cent of such amount
287 due and unpaid, or fifty dollars, whichever is greater. Such amount
288 shall bear interest at the rate of one per cent per month or fraction
289 thereof, from the due date of such tax until the date of payment.
290 Subject to the provisions of section 12-3a, the commissioner may waive
291 all or part of the penalties provided under this chapter when it is
292 proven to his satisfaction that the failure to pay any tax was due to
293 reasonable cause and was not intentional or due to neglect.

294 Sec. 12. Subdivision (2) of subsection (b) of section 12-436 of the
295 general statutes, as amended by section 15 of public act 99-121, is
296 repealed and the following is substituted in lieu thereof:

297 (2) No person shall ship, transport or import alcoholic beverages
298 into this state unless such alcoholic beverages are delivered to a
299 licensed distributor or to an internal revenue or United States customs
300 bonded warehouse under regulations prescribed by the Commissioner
301 of Revenue Services, or are transported in bonded trucks to vessels in
302 Connecticut ports for export; provided (A) any individual may import

303 alcoholic beverages purchased by such individual within the territorial
 304 limits of the United States to an amount not to exceed five gallons in
 305 any sixty-day period for such individual's own consumption, (B) any
 306 individual may import alcoholic beverages, whether or not purchased
 307 by such individual, from outside the territorial limits of the United
 308 States to an amount not to exceed five gallons in any three-hundred-
 309 sixty-five-day period for such individual's own consumption, and (C)
 310 any individual who has resided outside the United States for a period
 311 of six months or more may, on one occasion and in conjunction with
 312 the return of such individual's personal and household goods and
 313 effects upon the termination of such foreign residency, import wine to
 314 an amount not to exceed one hundred gallons, of which not more than
 315 twenty gallons shall be of the same brand and spirits not to exceed ten
 316 gallons of which not more than two gallons shall be of the same brand,
 317 after making application in each such case to the Department of
 318 [Consumer Protection] Revenue Services and presenting with the
 319 application a [certificate from the Commissioner of Revenue Services
 320 to the effect that] tax return prescribed by the Commissioner of
 321 Revenue Services and reporting the [tax provided for in section 12-435
 322 has been paid] taxes under this chapter and under chapter 219 for
 323 which the applicant is liable. Payment of such taxes shall accompany
 324 such application and tax return. A copy of the importation certificate
 325 issued by the Department of [Consumer Protection] Revenue Services
 326 shall accompany each such shipment.

327 Sec. 13. Section 12-456 of the general statutes is repealed and the
 328 following is substituted in lieu thereof:

329 (a) (1) Each distributor shall, before transacting the business of a
 330 distributor, apply for a license issued by the Commissioner of Revenue
 331 Services to engage in said business within this state, which license shall
 332 remain in full force and effect until cancelled, suspended or revoked.

333 (2) The commissioner may, in his discretion, refuse to issue a license
 334 if he has reasonable ground to believe [(1)] that the distributor has

335 wilfully made any false statement of substance with respect to such
 336 application for license [, (2) that] the distributor has neglected to pay
 337 any taxes due to this state or [(3) that] the distributor has been
 338 convicted of violating any of the motor fuels tax laws of this or any
 339 other state or the motor fuels tax laws of the United States or has such
 340 a criminal record that the commissioner reasonably believes that such
 341 distributor is not a suitable person to be issued a license, provided no
 342 refusal shall be rendered under this subdivision except in accordance
 343 with the provisions of sections 46a-80 and 46a-81.

344 (3) Before the commissioner issues such license, the commissioner
 345 shall require such distributor [shall] annually to file with, and to the
 346 satisfaction of, the commissioner and [shall] to maintain for the
 347 [duration of such license] year a bond [of] issued by a surety company
 348 authorized to do business in this state or other security acceptable to
 349 the commissioner, in [the amount of five thousand dollars or an] such
 350 amount [determined by] as the commissioner [as an estimate of taxes
 351 that would be paid if all fuels sold or used by such distributor were
 352 subject to the tax imposed under section 12-458, whichever amount is
 353 greater] may fix, to secure the payment of any sums due from such
 354 distributor pursuant to the provisions of this chapter. Such bond or
 355 other security shall remain in full force and effect for a period of three
 356 years and one month following the [expiration of such license] end of
 357 such year, unless a certificate is issued by the commissioner to the
 358 effect that all taxes due the state have been paid.

359 (b) If such distributor is a foreign corporation or a person
 360 nonresident of this state with no designated agent or representative in
 361 this state upon whom service of process may be made, then, in any
 362 litigation for the collection of any tax due from such distributor,
 363 service of such process may be made upon the Secretary of the State
 364 with as full force and effect as if made upon such distributor. Any such
 365 distributor being such a foreign corporation or nonresident person
 366 shall, in the application for a distributor's license, consent to such
 367 service of process upon the Secretary of the State and also consent that

368 any such litigation may be brought to the superior court for the judicial
369 district of Hartford having jurisdiction of the amount claimed to be
370 due in such litigation. Any license to any such distributor shall be
371 issued subject to such service of process upon said secretary and
372 subject to such litigation being brought to such court.

373 (c) The commissioner may suspend or revoke the license of any
374 distributor for failure to comply with any of the provisions of this
375 chapter or regulations related thereto, following a hearing with respect
376 to which notice in writing, specifying the time and place of such
377 hearing and requiring such distributor to show cause why such license
378 should not be revoked, is mailed or delivered to such distributor not
379 less than ten days preceding the date of such hearing. Such notice may
380 be served personally or by registered or certified mail.

381 (d) The commissioner shall not issue a new license to a distributor
382 whose license is revoked unless the commissioner is satisfied that such
383 distributor will comply with the provisions of this chapter and
384 regulations related thereto.

385 Sec. 14. Subdivision (8) of subsection (a) of section 12-458 of the
386 general statutes is repealed and the following is substituted in lieu
387 thereof:

388 (8) A distributor who is exclusively making sales of fuel on which
389 the tax imposed by this chapter is not payable may be permitted, [to
390 file reports, under oath or affirmation, on a form prescribed by said
391 commissioner,] as specified in regulations adopted in accordance with
392 the provisions of chapter 54, to file reports [. The regulations may
393 authorize reports to be submitted] less frequently than monthly but
394 not less frequently than annually if the commissioner determines that
395 enforcement of this section would not be adversely affected by less
396 frequent filings. [The report] Distributors permitted to file such reports
397 shall maintain records that shall detail (A) the persons from whom the
398 fuel was purchased, (B) the persons to whom, the quantities in which
399 and the dates on which such fuel was sold, and (C) any other

400 information deemed necessary by the commissioner.

401 Sec. 15. Subsections (b) and (c) of section 12-587 of the general
402 statutes, as amended by section 20 of public act 99-121, are repealed
403 and the following is substituted in lieu thereof:

404 (b) (1) Except as otherwise provided in subdivision (2) of this
405 subsection, any company which is engaged in the refining or
406 distribution, or both, of petroleum products and which distributes
407 such products in this state shall pay a quarterly tax on its gross
408 earnings derived from the first sale of petroleum products within this
409 state. Each company shall on or before the last day of the month next
410 succeeding each quarterly period render to the commissioner a return
411 on forms prescribed or furnished by the commissioner and signed by
412 the person performing the duties of treasurer or an authorized agent or
413 officer, including the amount of gross earnings derived from the first
414 sale of petroleum products within this state for the quarterly period
415 and such other facts as the commissioner may require for the purpose
416 of making any computation required by this chapter. Except as
417 otherwise provided in subdivision (3) of this subsection, the rate of tax
418 shall be five per cent.

419 (2) Gross earnings derived from the first sale of the following
420 petroleum products within this state shall be exempt from tax: (a) Any
421 petroleum products sold for exportation from this state for sale or use
422 outside this state; (b) the product designated by the American Society
423 for Testing and Materials as "Specification for Heating Oil D396-69",
424 commonly known as number 2 heating oil, to be used exclusively for
425 heating purposes or to be used in a commercial fishing vessel, which
426 vessel qualifies for an exemption pursuant to section 12-412, as
427 amended; (c) kerosene, commonly known as number 1 oil, to be used
428 exclusively for heating purposes, provided delivery is of both number
429 1 and number 2 oil, and via a truck with a metered delivery ticket to a
430 residential dwelling or to a centrally metered system serving a group
431 of residential dwellings; (d) the product identified as propane gas, to

432 be used exclusively for heating purposes; (e) bunker fuel oil,
 433 intermediate fuel, marine diesel oil and marine gas oil to be used in
 434 any vessel having a displacement exceeding four thousand dead
 435 weight tons; (f) for any first sale occurring prior to January 1, 2000,
 436 propane gas to be used as a fuel for a motor vehicle; (g) for any first
 437 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
 438 defined in regulations adopted pursuant to section 16a-22c, to be used
 439 exclusively by a company which, in accordance with census data
 440 contained in the Standard Industrial Classification Manual, United
 441 States Office of Management and Budget, 1987 edition, is included in
 442 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
 443 the North American Industrial Classification System United States
 444 manual, United States Office of Management and Budget, 1997 edition;
 445 or (h) for any first sale occurring on or after July 1, 2002, number 2
 446 heating oil to be used exclusively in a vessel primarily engaged in
 447 interstate commerce, which vessel qualifies for an exemption under
 448 section 12-412, as amended.

449 (3) The rate of tax on gross earnings derived from the first sale of
 450 grade number 6 fuel oil, as defined in regulations adopted pursuant to
 451 section 16a-22c, to be used exclusively by a company which, in
 452 accordance with census data contained in the Standard Industrial
 453 Classification Manual, United States Office of Management and
 454 Budget, 1987 edition, is included in code classifications 2000 to 3999,
 455 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
 456 Classification System United States manual, United States Office of
 457 Management and Budget, 1997 edition, or number 2 heating oil used
 458 exclusively in a vessel primarily engaged in interstate commerce,
 459 which vessel qualifies for an exemption under section 12-412 shall be:
 460 (A) Four per cent with respect to calendar quarters commencing on or
 461 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with
 462 respect to calendar quarters commencing on or after July 1, 1999, and
 463 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
 464 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
 465 one per cent with respect to calendar quarters commencing on or after

466 July 1, 2001, and prior to July 1, 2002.

467 (c) (1) Any company which imports or causes to be imported into
468 this state petroleum products for sale, use or consumption in this state,
469 other than a company subject to and having paid the tax on such
470 company's gross earnings from first sales of petroleum products
471 within this state, which earnings include gross earnings attributable to
472 such imported or caused to be imported petroleum products, in
473 accordance with subsection (b) of this section, shall pay a quarterly tax
474 on the consideration given or contracted to be given for such
475 petroleum product if the consideration given or contracted to be given
476 for all such deliveries during the quarterly period for which such tax is
477 to be paid exceeds one hundred thousand dollars. Except as otherwise
478 provided in subdivision (3) of this subsection, the rate of tax shall be
479 five per cent. Fuel in the fuel supply tanks of a motor vehicle, which
480 fuel tanks are directly connected to the engine, shall not be considered
481 a delivery for the purposes of this subsection.

482 (2) Consideration given or contracted to be given for petroleum
483 products, gross earnings from the first sale of which are exempt from
484 tax under subdivision (2) of subsection (b) of this section, shall be
485 exempt from tax.

486 (3) The rate of tax on consideration given or contracted to be given
487 for grade number 6 fuel oil, as defined in regulations adopted
488 pursuant to section 16a-22c, to be used exclusively by a company
489 which, in accordance with census data contained in the Standard
490 Industrial Classification Manual, United States Office of Management
491 and Budget, 1987 edition, is included in code classifications 2000 to
492 3999, inclusive, or in Sector 31, 32 or 33 in the North American
493 Industrial Classification System United States manual, United States
494 Office of Management and Budget, 1997 edition, or number 2 heating
495 oil used exclusively in a vessel primarily engaged in interstate
496 commerce, which vessel qualifies for an exemption under section 12-
497 412 shall be: (A) Four per cent with respect to calendar quarters

498 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three
499 per cent with respect to calendar quarters commencing on or after July
500 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to
501 calendar quarters commencing on or after July 1, 2000, and prior to
502 July 1, 2001; and (D) one per cent with respect to calendar quarters
503 commencing on or after July 1, 2001, and prior to July 1, 2002.

504 Sec. 16. Section 12-632a of the general statutes is repealed and the
505 following is substituted in lieu thereof:

506 If, for any fiscal year, all of the proposals submitted to the
507 Commissioner of Revenue Services pursuant to section 12-632, as
508 amended, claim tax credits in excess of the [three-million-dollar] five-
509 million dollar limit provided for in subsection (h) of said section 12-
510 632, as amended, the commissioner on or before November fifteenth of
511 each year shall prorate the [three] five million dollars of tax credits for
512 such year among the neighborhood organizations the programs of
513 which business firms have proposed to contribute to pursuant to this
514 chapter.

515 Sec. 17. Subsection (b) of section 12-638b of the general statutes is
516 repealed and the following is substituted in lieu thereof:

517 (b) The tax imposed by subsection (a) of this section shall not apply
518 to (1) any sale or transfer of a controlling interest in any entity which
519 possesses an interest in real property located in an area of any
520 municipality designated as an enterprise zone in accordance with
521 section 32-70 or (2) any sale or transfer of a controlling interest in any
522 entity, to effectuate a mere change of identity or form of ownership or
523 organization, where there is no change in beneficial ownership.

524 Sec. 18. Subsection (e) of section 12-700a of the general statutes is
525 repealed and the following is substituted in lieu thereof:

526 (e) A resident or part-year resident shall be allowed a credit against
527 the tax otherwise due under this section in the amount of any similar

528 tax imposed on such resident or part-year resident for the taxable year
 529 by another state of the United States or a political subdivision thereof
 530 or the District of Columbia [or any province of Canada] on income
 531 which is derived from sources therein and which is also subject to tax
 532 under this section. In the case of a resident, the credit provided under
 533 this subsection shall not exceed the proportion of the tax otherwise due
 534 under this section that the amount of the taxpayer's adjusted federal
 535 tentative minimum tax derived from or connected with sources in the
 536 other taxing jurisdiction, as the phrase is used in section 12-704, bears
 537 to the taxpayer's adjusted federal tentative minimum tax. In the case of
 538 a part-year resident, the credit provided under this subsection shall not
 539 exceed the proportion of the tax otherwise due during the period of
 540 residency that the amount of the taxpayer's adjusted federal tentative
 541 minimum tax derived from or connected with sources in the other
 542 taxing jurisdiction, as the phrase is used in said section 12-704, during
 543 the period of residency bears to such taxpayer's adjusted federal
 544 tentative minimum tax during the period of residency, nor shall the
 545 allowance of the credit provided under this subsection reduce the tax
 546 otherwise due under this section to an amount less than what would
 547 have been due if the amount subject to similar taxation by such other
 548 jurisdiction were excluded in the calculation of the adjusted federal
 549 tentative minimum tax.

550 Sec. 19. Subdivision (1) of subsection (a) of section 12-701 of the
 551 general statutes is repealed and the following is substituted in lieu
 552 thereof:

553 (1) "Resident of this state" means any natural person (A) who is
 554 domiciled in this state, [provided if a] unless (i) the person [(i)]
 555 maintains no permanent place of abode in this state, [(ii)] maintains a
 556 permanent place of abode elsewhere and [(iii)] spends in the aggregate
 557 not more than thirty days of the taxable year in this state, [such person
 558 shall be deemed not a resident] or (ii) within any period of five
 559 hundred forty-eight consecutive days the person is present in a foreign
 560 country or countries for at least four hundred fifty days, and during

561 such period of five hundred forty-eight consecutive days the person is
 562 not present in this state for more than ninety days and does not
 563 maintain a permanent place of abode in this state at which his spouse,
 564 unless such spouse is legally separated, or minor children are present
 565 for more than ninety days, and during the nonresident portion of the
 566 taxable year with or within which such period of five hundred forty-
 567 eight consecutive days begins and the nonresident portion of the
 568 taxable year with or within which such period ends, he is present in
 569 this state for a number of days which does not exceed an amount
 570 which bears the same ratio to ninety as the number of days contained
 571 in such portion of the taxable year bears to five hundred forty-eight, or
 572 (B) who is not domiciled in this state but maintains a permanent place
 573 of abode in this state and is in this state for an aggregate of more than
 574 one hundred eighty-three days of the taxable year, unless such person,
 575 not being domiciled in this state, is in active service in the armed forces
 576 of the United States.

577 Sec. 20. Subdivision (20) of subsection (a) of section 12-701 of the
 578 general statutes, as amended by section 1 of public act 99-173, is
 579 repealed and the following is substituted in lieu thereof:

580 (20) "Connecticut adjusted gross income" means adjusted gross
 581 income, with the following modifications: (A) There shall be added
 582 thereto (i) to the extent not properly includable in gross income for
 583 federal income tax purposes, any interest income from obligations
 584 issued by or on behalf of any state, political subdivision thereof, or
 585 public instrumentality, state or local authority, district or similar public
 586 entity, exclusive of such income from obligations issued by or on
 587 behalf of the state of Connecticut, any political subdivision thereof, or
 588 public instrumentality, state or local authority, district or similar public
 589 entity created under the laws of the state of Connecticut and exclusive
 590 of any such income with respect to which taxation by any state is
 591 prohibited by federal law, (ii) any exempt-interest dividends, as
 592 defined in Section 852(b)(5) of the Internal Revenue Code, exclusive of
 593 such exempt-interest dividends derived from obligations issued by or

594 on behalf of the state of Connecticut, any political subdivision thereof,
595 or public instrumentality, state or local authority, district or similar
596 public entity created under the laws of the state of Connecticut and
597 exclusive of such exempt-interest dividends derived from obligations,
598 the income with respect to which taxation by any state is prohibited by
599 federal law, (iii) any interest or dividend income on obligations or
600 securities of any authority, commission or instrumentality of the
601 United States which federal law exempts from federal income tax but
602 does not exempt from state income taxes, (iv) to the extent included in
603 gross income for federal income tax purposes for the taxable year, the
604 total taxable amount of a lump sum distribution for the taxable year
605 deductible from such gross income in calculating federal adjusted
606 gross income, (v) to the extent properly includable in determining the
607 net gain or loss from the sale or other disposition of capital assets for
608 federal income tax purposes, any loss from the sale or exchange of
609 obligations issued by or on behalf of the state of Connecticut, any
610 political subdivision thereof, or public instrumentality, state or local
611 authority, district or similar public entity created under the laws of the
612 state of Connecticut, in the income year such loss was recognized, (vi)
613 to the extent deductible in determining federal adjusted gross income,
614 any income taxes imposed by this state, (vii) to the extent deductible in
615 determining federal adjusted gross income, any interest on
616 indebtedness incurred or continued to purchase or carry obligations or
617 securities the interest on which is exempt from tax under this chapter
618 and (viii) expenses paid or incurred during the taxable year for the
619 production or collection of income which is exempt from taxation
620 under this chapter or the management, conservation or maintenance of
621 property held for the production of such income, and the amortizable
622 bond premium for the taxable year on any bond the interest on which
623 is exempt from tax under this chapter to the extent that such expenses
624 and premiums are deductible in determining federal adjusted gross
625 income. (B) There shall be subtracted therefrom (i) to the extent
626 properly includable in gross income for federal income tax purposes,
627 any income with respect to which taxation by any state is prohibited

628 by federal law, (ii) to the extent allowable under section 12-718, exempt
629 dividends paid by a regulated investment company, (iii) the amount of
630 any refund or credit for overpayment of income taxes imposed by this
631 state, or any other state of the United States or a political subdivision
632 thereof, or the District of Columbia, [or any province of Canada,] to the
633 extent properly includable in gross income for federal income tax
634 purposes, (iv) to the extent properly includable in gross income for
635 federal income tax purposes, any tier 1 railroad retirement benefits, (v)
636 with respect to any natural person who is a shareholder of an S
637 corporation which is carrying on, or which has the right to carry on,
638 business in this state, as said term is used in section 12-214, the amount
639 of such shareholder's pro rata share of such corporation's
640 nonseparately computed items, as defined in Section 1366 of the
641 Internal Revenue Code, that is subject to tax under chapter 208, in
642 accordance with subsection (c) of section 12-217, as amended,
643 multiplied by such corporation's apportionment fraction, if any, as
644 determined in accordance with section 12-218, as amended, (vi) to the
645 extent properly includable in gross income for federal income tax
646 purposes, any interest income from obligations issued by or on behalf
647 of the state of Connecticut, any political subdivision thereof, or public
648 instrumentality, state or local authority, district or similar public entity
649 created under the laws of the state of Connecticut, (vii) to the extent
650 properly includable in determining the net gain or loss from the sale or
651 other disposition of capital assets for federal income tax purposes, any
652 gain from the sale or exchange of obligations issued by or on behalf of
653 the state of Connecticut, any political subdivision thereof, or public
654 instrumentality, state or local authority, district or similar public entity
655 created under the laws of the state of Connecticut, in the income year
656 such gain was recognized, (viii) any interest on indebtedness incurred
657 or continued to purchase or carry obligations or securities the interest
658 on which is subject to tax under this chapter but exempt from federal
659 income tax, to the extent that such interest on indebtedness is not
660 deductible in determining federal adjusted gross income and is
661 attributable to a trade or business carried on by such individual, (ix)

662 ordinary and necessary expenses paid or incurred during the taxable
663 year for the production or collection of income which is subject to
664 taxation under this chapter but exempt from federal income tax, or the
665 management, conservation or maintenance of property held for the
666 production of such income, and the amortizable bond premium for the
667 taxable year on any bond the interest on which is subject to tax under
668 this chapter but exempt from federal income tax, to the extent that
669 such expenses and premiums are not deductible in determining federal
670 adjusted gross income and are attributable to a trade or business
671 carried on by such individual, (x) (I) for a person who files a return
672 under the federal income tax as an unmarried individual whose
673 federal adjusted gross income for such taxable year is less than fifty
674 thousand dollars, or as a married individual filing separately whose
675 federal adjusted gross income for such taxable year is less than fifty
676 thousand dollars, [and] or for a husband and wife who file a return
677 under the federal income tax as married individuals filing jointly
678 whose federal adjusted gross income for such taxable year is less than
679 sixty thousand dollars or a person who files a return under the federal
680 income tax as a head of household whose federal adjusted gross
681 income for such taxable year is less than sixty thousand dollars, an
682 amount equal to the Social Security benefits includable for federal
683 income tax purposes; and (II) for a person who files a return under the
684 federal income tax as an unmarried individual whose federal adjusted
685 gross income for such taxable year is fifty thousand dollars or more, or
686 as a married individual filing separately whose federal adjusted gross
687 income for such taxable year is fifty thousand dollars or more, [and] or
688 for a husband and wife who file a return under the federal income tax
689 as married individuals filing jointly whose federal adjusted gross
690 income from such taxable year is sixty thousand dollars or more or for
691 a person who files a return under the federal income tax as a head of
692 household whose federal adjusted gross income for such taxable year
693 is sixty thousand dollars or more, an amount equal to the difference
694 between the amount of Social Security benefits includable for federal
695 income tax purposes [under the provisions of Section 13215 of the

696 Omnibus Budget Reconciliation Act of 1993 and fifty per cent of the
697 amount of such Social Security benefits includable for federal income
698 tax purposes under the provisions of the Internal Revenue Code of
699 1986, or any subsequent corresponding internal revenue code of the
700 United States, as from time to time amended, prior to August 10, 1993]
701 and the lesser of twenty-five per cent of the Social Security benefits
702 received during the taxable year, or twenty-five per cent of the excess
703 described in Section 86(b)(1) of the Internal Revenue Code, (xi) to the
704 extent properly includable in gross income for federal income tax
705 purposes, any amount rebated to a taxpayer pursuant to section
706 12-746, and (xii) to the extent properly includable in the gross income
707 for federal income tax purposes of a designated beneficiary, any
708 distribution to such beneficiary from any qualified state tuition
709 program, as defined in Section 529(b) of the Internal Revenue Code,
710 established and maintained by this state or any official, agency or
711 instrumentality of the state. With respect to a person who is the
712 beneficiary of a trust or estate, there shall be added or subtracted, as
713 the case may be, from adjusted gross income such person's share, as
714 determined under section 12-714, in the Connecticut fiduciary
715 adjustment.

716 Sec. 21. Subsection (a) of section 12-702 of the general statutes, as
717 amended by section 5 of public act 99-173, is repealed and the
718 following is substituted in lieu thereof:

719 (a)(1)(A) Any person, other than a trust or estate, subject to the tax
720 under this chapter for any taxable year who files under the federal
721 income tax for such taxable year as a married individual filing
722 separately or, for taxable years commencing prior to January 1, 2000,
723 who files income tax for such taxable year as an unmarried individual
724 shall be entitled to a personal exemption of twelve thousand dollars in
725 determining Connecticut taxable income for purposes of this chapter.

726 (B) In the case of any such taxpayer whose Connecticut adjusted
727 gross income for the taxable year exceeds twenty-four thousand

728 dollars, the exemption amount shall be reduced by one thousand
729 dollars for each one thousand dollars, or fraction thereof, by which the
730 taxpayer's Connecticut adjusted gross income for the taxable year
731 exceeds the said amount. In no event shall the reduction exceed one
732 hundred per cent of the exemption.

733 (2) For taxable years commencing on or after January 1, 2000, any
734 person, other than a trust or estate, subject to the tax under this chapter
735 for any taxable year who files under the federal income tax for such
736 taxable year as an unmarried individual shall be entitled to a personal
737 exemption in determining Connecticut taxable income for purposes of
738 this chapter as follows:

739 (A) For taxable years commencing on or after January 1, 2000, but
740 prior to January 1, 2001, twelve thousand two hundred fifty dollars. In
741 the case of any such taxpayer whose Connecticut adjusted gross
742 income for the taxable year exceeds [twenty-five] twenty-four
743 thousand five hundred dollars, the exemption amount shall be
744 reduced by one thousand dollars for each one thousand dollars, or
745 fraction thereof, by which the taxpayer's Connecticut adjusted gross
746 income for the taxable year exceeds the said amount. In no event shall
747 the reduction exceed one hundred per cent of the exemption;

748 (B) For taxable years commencing on or after January 1, 2001, but
749 prior to January 1, 2002, twelve thousand five hundred dollars. In the
750 case of any such taxpayer whose Connecticut adjusted gross income
751 for the taxable year exceeds [twenty-six] twenty-five thousand dollars,
752 the exemption amount shall be reduced by one thousand dollars for
753 each one thousand dollars, or fraction thereof, by which the taxpayer's
754 Connecticut adjusted gross income for the taxable year exceeds the
755 said amount. In no event shall the reduction exceed one hundred per
756 cent of the exemption;

757 (C) For taxable years commencing on or after January 1, 2002, but
758 prior to January 1, 2003, twelve thousand seven hundred fifty dollars.
759 In the case of any such taxpayer whose Connecticut adjusted gross

760 income for the taxable year exceeds [twenty-seven] twenty-five
761 thousand five hundred dollars, the exemption amount shall be
762 reduced by one thousand dollars for each one thousand dollars, or
763 fraction thereof, by which the taxpayer's Connecticut adjusted gross
764 income for the taxable year exceeds the said amount. In no event shall
765 the reduction exceed one hundred per cent of the exemption;

766 (D) For taxable years commencing on or after January 1, 2003, but
767 prior to January 1, 2004, thirteen thousand dollars. In the case of any
768 such taxpayer whose Connecticut adjusted gross income for the
769 taxable year exceeds [twenty-eight] twenty-six thousand dollars, the
770 exemption amount shall be reduced by one thousand dollars for each
771 one thousand dollars, or fraction thereof, by which the taxpayer's
772 Connecticut adjusted gross income for the taxable year exceeds the
773 said amount. In no event shall the reduction exceed one hundred per
774 cent of the exemption;

775 (E) For taxable years commencing on or after January 1, 2004, but
776 prior to January 1, 2005, thirteen thousand five hundred dollars. In the
777 case of any such taxpayer whose Connecticut adjusted gross income
778 for the taxable year exceeds [twenty-nine] twenty-seven thousand
779 dollars, the exemption amount shall be reduced by one thousand
780 dollars for each one thousand dollars, or fraction thereof, by which the
781 taxpayer's Connecticut adjusted gross income for the taxable year
782 exceeds the said amount. In no event shall the reduction exceed one
783 hundred per cent of the exemption;

784 (F) For taxable years commencing on or after January 1, 2005, but
785 prior to January 1, 2006, fourteen thousand dollars. In the case of any
786 such taxpayer whose Connecticut adjusted gross income for the
787 taxable year exceeds [thirty] twenty-eight thousand dollars, the
788 exemption amount shall be reduced by one thousand dollars for each
789 one thousand dollars, or fraction thereof, by which the taxpayer's
790 Connecticut adjusted gross income for the taxable year exceeds the
791 said amount. In no event shall the reduction exceed one hundred per

792 cent of the exemption;

793 (G) For taxable years commencing on or after January 1, 2006, but
794 prior to January 1, 2007, fourteen thousand five hundred dollars. In the
795 case of any such taxpayer whose Connecticut adjusted gross income
796 for the taxable year exceeds twenty-nine thousand dollars, the
797 exemption amount shall be reduced by one thousand dollars for each
798 one thousand dollars, or fraction thereof, by which the taxpayer's
799 Connecticut adjusted gross income for the taxable year exceeds the
800 said amount. In no event shall the reduction exceed one hundred per
801 cent of the exemption;

802 (H) For taxable years commencing on or after January 1, 2007,
803 fifteen thousand dollars. In the case of any such taxpayer whose
804 Connecticut adjusted gross income for the taxable year exceeds thirty
805 thousand dollars, the exemption amount shall be reduced by one
806 thousand dollars for each one thousand dollars, or fraction thereof, by
807 which the taxpayer's Connecticut adjusted gross income for the taxable
808 year exceeds the said amount. In no event shall the reduction exceed
809 one hundred per cent of the exemption.

810 Sec. 22. Section 12-723 of the general statutes, as amended by section
811 22 of public act 99-121, is repealed and the following is substituted in
812 lieu thereof:

813 The commissioner may for reasonable cause extend the time for the
814 filing of any return, statement or other document due or required
815 under this chapter and the payment of tax due pursuant to this chapter
816 in accordance with regulations adopted in accordance with chapter 54.
817 Said commissioner may require the filing of a tentative return and the
818 payment of the tax reported to be due thereon in connection with such
819 extension. Any additional tax which may be found to be due on the
820 filing of a return, statement or other document as allowed by such
821 extension shall bear interest at the rate of one per cent per month or
822 fraction thereof from the original due date of such tax to the date of
823 actual payment. Notwithstanding the provisions of section 12-735, as

824 amended by this act, no penalty shall be imposed on account of any
 825 failure to pay the amount of tax reported to be due on a return,
 826 statement or other document within the time specified under the
 827 provisions of this chapter if the excess of the amount of tax shown on
 828 the return, statement or other document over the amount of tax paid
 829 on or before the original due date of such return, statement or other
 830 document is no greater than ten per cent of the amount of tax shown
 831 on such return, statement or other document, and any balance due
 832 shown on such return, statement or other document is remitted with
 833 such return, statement or other document on or before the extended
 834 due date of such return, statement or other document.

835 Sec. 23. Subdivision (1) of subsection (b) of section 12-727 of the
 836 general statutes is repealed and the following is substituted in lieu
 837 thereof:

838 (b) (1) If the amount of a taxpayer's federal adjusted gross income,
 839 in the case of an individual, or federal taxable income, in the case of a
 840 trust or estate, reported on such taxpayer's federal income tax return
 841 for any taxable year is changed or corrected by the United States
 842 Internal Revenue Service or other competent authority, or as the result
 843 of a renegotiation of a contract or subcontract with the United States,
 844 the taxpayer shall provide notice of such change or correction in
 845 federal adjusted gross income or federal taxable income, as the case
 846 may be, to the commissioner by filing, on or before the date that is
 847 ninety days after the final determination of such change, correction or
 848 renegotiation, or as otherwise required by the commissioner, an
 849 amended return under this chapter and shall concede the accuracy of
 850 such determination or state wherein it is erroneous. The provisions of
 851 the preceding sentence shall also apply if an individual's computation
 852 of tax under Section 1341(a)(4) or (5) of the Internal Revenue Code is
 853 changed or corrected by the United States Internal Revenue Service or
 854 other competent authority. The commissioner may redetermine and
 855 the taxpayer shall be required to pay the tax for any taxable year
 856 affected, regardless of any otherwise applicable statute of limitations.

857 Sec. 24. Subdivision (1) of subsection (a) of section 12-732 of the
858 general statutes is repealed and the following is substituted in lieu
859 thereof:

860 (a)(1) If any tax has been overpaid, the taxpayer may file a claim for
861 refund in writing with the commissioner within three years from the
862 due date for which such overpayment was made, stating the specific
863 grounds upon which the claim is founded, provided if the
864 commissioner has extended the time for the filing of an income tax
865 return by the taxpayer, the taxpayer may file a claim for refund within
866 three years after the date on which the income tax return is filed by the
867 taxpayer or within three years after the extended due date of the
868 income tax return, whichever is earlier. Not later than ninety days
869 following receipt of such claim for refund the commissioner shall
870 determine whether such claim is valid and, if so, said commissioner
871 shall notify the State Comptroller of the amount of such refund and the
872 State Comptroller shall draw an order on the State Treasurer in the
873 amount thereof for payment to the taxpayer. For purposes of this
874 section, [an income tax return] a claim for refund that is filed before the
875 last day prescribed by law or by a regulation adopted pursuant to law
876 for the filing [thereof] of an income tax return, determined without
877 regard to any extension of time for filing, shall be deemed to be filed
878 on such last day. To the amount of such refund, there shall be added
879 interest at the rate of two-thirds of one per cent for each month or
880 fraction thereof which elapses between (A) the ninetieth day following
881 receipt by the commissioner of such claim for refund on a permitted
882 form, containing the taxpayer's name, address and Social Security
883 number or federal employer identification number, the required
884 signature, and sufficient required information, whether on the return
885 or on required attachments, to permit the mathematical verification of
886 tax liability shown on the return, and (B) the date of notice by the
887 commissioner that such refund is due. Failure to file a claim within the
888 time prescribed in this section constitutes a waiver of any demand
889 against the state on account of overpayment. If the commissioner
890 determines that such claim is not valid, either in whole or in part, he

891 shall mail notice of the disallowance in whole or in part of the claim to
892 the claimant and such notice shall set forth briefly the commissioner's
893 findings of fact and the basis of disallowance in each case decided in
894 whole or in part adversely to the claimant. Sixty days after the date on
895 which it is mailed, a notice of proposed disallowance shall constitute a
896 final disallowance except only for such amounts as to which the
897 claimant has filed, as provided in subdivision (2) of this subsection, a
898 written protest with the commissioner.

899 Sec. 25. Section 12-733 of the general statutes, as amended by section
900 25 of public act 99-121, is repealed and the following is substituted in
901 lieu thereof:

902 (a) Except as otherwise provided in this chapter, a notice of
903 proposed deficiency assessment shall be mailed to the taxpayer within
904 three years after the return is filed. No deficiency shall be assessed or
905 collected with respect to the year for which the return is filed unless
906 the notice is mailed within the three-year period or the period
907 otherwise fixed. Where, within the sixty-day period ending on the day
908 on which the time prescribed by this chapter for mailing a notice of
909 proposed deficiency assessment for any taxable year would otherwise
910 expire, the commissioner receives a written document signed by a
911 taxpayer showing that the taxpayer owes an additional amount of tax
912 for such taxable year, the period during which a notice of proposed
913 deficiency assessment may be mailed shall not expire before the day
914 sixty days after the day on which the commissioner receives such
915 document.

916 (b) (1) If the taxpayer omits from Connecticut adjusted gross
917 income, in the case of an individual, or from Connecticut taxable
918 income, in the case of a trust or estate, an amount properly includable
919 therein which is in excess of twenty-five per cent of the amount of
920 Connecticut adjusted gross income or Connecticut taxable income, as
921 the case may be, stated in the return, a notice of a proposed deficiency
922 assessment may be mailed to the taxpayer within six years after the

923 return is filed. For purposes of this subsection, there shall not be taken
924 into account any amount which is omitted in the return if such amount
925 is disclosed in the return, or in a statement attached to the return, in a
926 manner adequate to apprise the Commissioner of Revenue Services of
927 the nature and the amount of such item.

928 (2) If the taxpayer omits from the Connecticut adjusted gross income
929 derived from or connected with sources within this state, in the case of
930 a nonresident individual or part-year resident individual, or from
931 Connecticut taxable income derived from or connected with sources
932 within this state, in the case of a nonresident trust or estate of part-year
933 resident trust, an amount properly includable therein which is in
934 excess of twenty-five per cent of the amount of Connecticut adjusted
935 gross income derived from or connected with sources within this state
936 or Connecticut taxable income derived from or connected with sources
937 within this state, as the case may be, stated in the return, a notice of a
938 proposed deficiency assessment may be mailed to the taxpayer within
939 six years after the return is filed. For purposes of this subsection, there
940 shall not be taken into account any amount which is omitted in the
941 return if such amount is disclosed in the return, or in a statement
942 attached to the return, in a manner adequate to apprise the
943 Commissioner of Revenue Services of the nature and the amount of
944 such item.

945 (c) If no return is filed or if a taxpayer makes, wilfully or otherwise,
946 a false [and] or fraudulent return, [is filed with intent to evade the tax,]
947 a notice of deficiency may be mailed to the taxpayer at any time.

948 (d) (1) If a taxpayer fails to comply with the requirements of section
949 12-727, as amended by this act, by not reporting a change or correction
950 by the United States Internal Revenue Service or other competent
951 authority increasing, in the case of an individual, the individual's
952 federal adjusted gross income or, in the case of a trust or estate, its
953 federal taxable income, or by not reporting a change or correction
954 which is treated in the same manner as if it were a deficiency for

955 federal income tax purposes, or by not filing an amended return, a
956 notice of a proposed deficiency assessment may be mailed to the
957 taxpayer at any time. The provisions of the preceding sentence shall
958 also apply if an individual's computation of tax under Section
959 1341(a)(4) or (5) of the Internal Revenue Code is changed or corrected
960 by the United States Internal Revenue Service or other competent
961 authority, and the individual fails to comply with the requirements of
962 section 12-727, as amended by this act.

963 (2) If a taxpayer fails to comply with the requirements of subsection
964 (b) of section 12-704 by not reporting a change or correction by tax
965 officers or other competent authority of another jurisdiction affecting
966 the amount of tax of such other jurisdiction that the taxpayer is finally
967 required to pay, or by not filing an amended return, a notice of a
968 proposed deficiency assessment may be mailed to the taxpayer at any
969 time.

970 (e) (1) If the taxpayer, pursuant to section 12-727, as amended by
971 this act, reports a change or correction by the United States Internal
972 Revenue Service or other competent authority increasing, in the case of
973 an individual, the individual's federal adjusted gross income or, in the
974 case of a trust or estate, its federal taxable income or reports a change
975 or correction which is treated in the same manner as if it were a
976 deficiency for federal income tax purposes, or files an amended return,
977 the assessment, if not deemed to have been made upon the filing of the
978 report or amended return, may be made at any time not later than
979 three years after such report or amended return is filed. The provisions
980 of the preceding sentence shall also apply if an individual's
981 computation of tax under Section 1341(a)(4) or (5) of the Internal
982 Revenue Code is changed or corrected by the United States Internal
983 Revenue Service or other competent authority, and the individual,
984 pursuant to section 12-727, as amended by this act, reports the change
985 or correction.

986 (2) If the taxpayer, pursuant to subsection (b) of section 12-704,

987 reports a change or correction by tax officers or other competent
 988 authority of another jurisdiction affecting the amount of tax of such
 989 other jurisdiction that the taxpayer is finally required to pay, or files an
 990 amended return, the assessment, if not deemed to have been made
 991 upon the filing of the report or amended return, may be made not later
 992 than three years after such report or amended return is filed.

993 (f) Where, before the expiration of the time prescribed in this section
 994 for the assessment of a deficiency, both the commissioner and the
 995 taxpayer shall have consented in writing to its assessment after such
 996 time, the deficiency may be assessed at any time prior to the expiration
 997 of the period agreed upon. The period so agreed upon may be
 998 extended by a subsequent agreement in writing made before the
 999 expiration of the period previously agreed upon and the commissioner
 1000 may, in such a case, waive the statute of limitations against a claim for
 1001 refund by such taxpayer.

1002 (g) For purposes of this section an income tax return filed before the
 1003 last day prescribed by law or by any regulation adopted pursuant to
 1004 law for the filing thereof, determined without regard to any extension
 1005 of time for filing, shall be deemed to be filed on such last day. If a
 1006 return of withholding tax for any period ending with or within a
 1007 calendar year is filed before April fifteenth of the succeeding calendar
 1008 year, such return shall be deemed to be filed on April fifteenth of such
 1009 succeeding calendar year.

1010 Sec. 26. Subsection (b) of section 12-735 of the general statutes is
 1011 repealed and the following is substituted in lieu thereof:

1012 (b) If any person has not made his return within three months after
 1013 the time specified under the provisions of this chapter, the
 1014 commissioner may make such return at any time thereafter, according
 1015 to the best information obtainable and according to the form
 1016 prescribed. The making of a return by the commissioner pursuant to
 1017 the authority conferred hereunder shall not constitute the filing of a
 1018 return by such person for purposes of subsection (c) of section 12-733,

1019 as amended by this act, or subsection (a) of section 12-737. To the tax
1020 imposed upon the basis of such return, there shall be added an amount
1021 equal to ten per cent of such tax or fifty dollars, whichever is greater.
1022 The tax shall bear interest at the rate of one per cent per month or
1023 fraction thereof, from the due date of such tax until the date of
1024 payment. No taxpayer shall be subject to a penalty under both
1025 subsections (a) and (b) of this section in relation to the same tax period.

1026 Sec. 27. (NEW) (a)(1) If an item of income was included in the
1027 Connecticut adjusted gross income of an individual for a preceding
1028 taxable year or years because it appeared that the individual had an
1029 unrestricted right to such item, and, based on the repayment of such
1030 item by such individual during the taxable year, such individual
1031 properly determines his or her federal income tax liability for the
1032 taxable year under Section 1341(a)(4) or (5) of the Internal Revenue
1033 Code, then the tax imposed by chapter 229 of the general statutes for
1034 the taxable year on such individual shall be an amount equal to (A) the
1035 tax for the taxable year computed without regard to this section, minus
1036 (B) the decrease in tax under said chapter 229 for the preceding taxable
1037 year or years which would result solely from the exclusion of such
1038 item or portion thereof from the Connecticut adjusted gross income of
1039 such individual for such preceding taxable year or years. This section
1040 shall not apply if such repayment is properly deductible in
1041 determining the individual's federal adjusted gross income for the
1042 taxable year, and such individual properly determines his or her
1043 federal income tax liability for the taxable year under Section 1341(a)(4)
1044 of the Internal Revenue Code by deducting such repayment.

1045 (2) In determining the decrease in tax under said chapter 229 for the
1046 preceding taxable year or years which would result solely from the
1047 exclusion of such item or portion thereof from the Connecticut
1048 adjusted gross income of such individual for such preceding taxable
1049 year or years, any item excluded from the Connecticut adjusted gross
1050 income of an individual for a preceding year or years in which such
1051 individual was a nonresident individual or part-year resident

1052 individual, shall, to the extent that such item is derived from or
1053 connected with sources within this state, be excluded from Connecticut
1054 adjusted gross income derived from or connected with sources within
1055 this state for such preceding year or years.

1056 (3) If the decrease in tax under said chapter 229 for the preceding
1057 taxable year or years which would result solely from the exclusion of
1058 such item or portion thereof from the Connecticut adjusted gross
1059 income of such individual for such preceding taxable year or years
1060 exceeds the tax for the taxable year computed without regard to this
1061 section, such excess shall be considered to be a payment of tax on the
1062 last day prescribed under said chapter 229 for the payment of tax for
1063 the taxable year, and, subject to the provisions of sections 12-35f, 12-
1064 739 and 12-742 of the general statutes, shall be refunded or credited in
1065 the same manner as if it were an overpayment for such taxable year.

1066 (b) If an individual properly determines his or her liability for the
1067 tax imposed by chapter 229 of the general statutes for the taxable year
1068 under subsection (a) of this section, and properly determines his or her
1069 federal income tax liability for the taxable year under Section 1341(a)(4)
1070 of the Internal Revenue Code, then, in any case where the deduction
1071 under Section 1341(a)(4) of the Internal Revenue Code results in a net
1072 operating loss for federal income tax purposes, no claim for refund
1073 shall be allowable by the commissioner for an overpayment of the tax
1074 imposed by said chapter 229 for a preceding taxable year or years to
1075 the extent attributable to such loss being carried back to such year or
1076 years.

1077 Sec. 28. Subdivision (2) of subsection (b) of section 16-50v of the
1078 general statutes is repealed and the following is substituted in lieu
1079 thereof:

1080 (2) As used in this subdivision, "communications services" means
1081 services involving transmitting or receiving signals in the
1082 electromagnetic spectrum for a public or commercial purpose
1083 pursuant to a Federal Communications Commission license. Before

1084 December thirty-first of each year, the council shall review the
1085 anticipated amount of administrative expenses attributable to facilities
1086 used for providing communications services for the next fiscal year,
1087 excluding expenses under subsection (c), (d), (e), (g) or (h) of this
1088 section, at a public meeting, notice of which shall be given to each
1089 person subject to assessment under this subsection, and at which
1090 interested persons shall be heard. After the meeting, the council shall
1091 determine the anticipated amount of such expenses and submit its
1092 determination to the joint standing committee of the General Assembly
1093 having cognizance of matters relating to appropriations and the
1094 budgets of state agencies. [Upon notification of the council, the
1095 Commissioner of Revenue Services] The council shall apportion and
1096 assess the anticipated amount of expenses equitably in proportion to
1097 the frequency of appearance, the degree of regulation required and the
1098 percentage of the council's workload, among those persons which
1099 provide communications services and have come before the council in
1100 the preceding calendar year. Each such person shall pay the
1101 assessment and submit a return, on a form prescribed by the
1102 [commissioner] council, to the [Commissioner of Revenue Services]
1103 council in four equal instalments, on or before July 1, 1994, and July
1104 thirty-first of each year thereafter, October 31, 1994, and October thirty-
1105 first of each year thereafter, January 31, 1995, and January thirty-first of
1106 each year thereafter, and April 30, 1995, and April thirtieth of each year
1107 thereafter. The [commissioner] council shall transfer all payments
1108 received pursuant to this section to the Treasurer who shall credit such
1109 payments to the Siting Council Fund. Such payments shall be
1110 considered administrative expenses recovered from communications
1111 services providers.

1112 Sec. 29. Subsection (d) of section 32-9p of the general statutes, as
1113 amended by section 1 of public act 99-1 of the June special session, is
1114 repealed and the following is substituted in lieu thereof:

1115 (d) "Manufacturing facility" means any plant, building, other real
1116 property improvement, or part thereof, (1) which (A) is constructed or

1117 substantially renovated or expanded on or after July 1, 1978, in a
1118 distressed municipality, a targeted investment community as defined
1119 in section 32-222, or an enterprise zone designated pursuant to section
1120 32-70 or (B) is acquired on or after July 1, 1978, in a distressed
1121 municipality, a targeted investment community as defined in section
1122 32-222, as amended, or an enterprise zone designated pursuant to said
1123 section 32-70, by a business organization which is unrelated to and
1124 unaffiliated with the seller, after having been idle for at least one year
1125 prior to its acquisition and regardless of its previous use; (2) which is
1126 to be used for the manufacturing, processing or assembling of raw
1127 materials, parts or manufactured products, for research and
1128 development facilities directly related to manufacturing, for the
1129 significant servicing, overhauling or rebuilding of machinery and
1130 equipment for industrial use, or, except as provided in this subsection,
1131 for warehousing and distribution or, (A) if located in an enterprise
1132 zone designated pursuant to said section 32-70, which is to be used by
1133 an establishment, an auxiliary or an operating unit of an establishment
1134 as such terms are defined in the Standard Industrial Classification
1135 Manual, in the categories of depository institutions, nondepository
1136 credit institutions, insurance carriers, holding or other investment
1137 offices, business services, health services, fishing, hunting and
1138 trapping, motor freight transportation and warehousing, water
1139 transportation, transportation by air, transportation services, security
1140 and commodity brokers, dealers, exchanges and services,
1141 telemarketing or engineering, accounting, research, management and
1142 related services including, but not limited to, management consulting
1143 services from the Standard Industrial Classification Manual, which
1144 establishment, auxiliary or operating unit shows a strong performance
1145 in exporting goods and services, as further defined by the
1146 commissioner through regulations adopted under chapter 54, or in
1147 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group
1148 5621 in the North American Industrial Classification System, United
1149 States manual, United States Office of Management and Budget, 1997
1150 edition, or (B) if located in an enterprise zone designated pursuant to

1151 said section 32-70, which is to be used by an establishment primarily
1152 engaged in supplying goods or services in the fields of computer
1153 hardware or software, computer networking, telecommunications or
1154 communications, or (C) if located in a municipality with an
1155 entertainment district designated under section 32-76 or established
1156 under section 2 of public act 93-311*, is to be used in the production of
1157 entertainment products, including multimedia products, or as part of
1158 the airing, display or provision of live entertainment for stage or
1159 broadcast, including support services such as set manufacturers,
1160 scenery makers, sound and video equipment providers and
1161 manufacturers, stage and screen writers, providers of capital for the
1162 entertainment industry and agents for talent, writers, producers and
1163 music properties and technological infrastructure support including,
1164 but not limited to, fiber optics, necessary to support multimedia and
1165 other entertainment formats, except entertainment provided by or
1166 shown at a gambling or gaming facility or a facility whose primary
1167 business is the sale or serving of alcoholic beverages; and (3) for which
1168 the department has issued an eligibility certificate in accordance with
1169 section 32-9r. In the case of facilities which are acquired, the
1170 department may waive the requirement of one year of idleness if it
1171 determines that, absent qualification as a manufacturing facility under
1172 subdivisions (59) and (60) of section 12-81, and sections 12-217e, 32-9p
1173 to 32-9s, inclusive, as amended, and 32-23p, there is a high likelihood
1174 that the facility will remain idle for one year. In the case of facilities
1175 located in an enterprise zone designated pursuant to said section 32-70,
1176 (A) the idleness requirement in subparagraph (B) of subdivision (1) of
1177 this subsection, for business organizations which over the six months
1178 preceding such acquisition have had an average total employment of
1179 between six and nineteen employees, inclusive, shall be reduced to a
1180 minimum of six months, and (B) the idleness requirement shall not
1181 apply to business organizations with an average total employment of
1182 five or fewer employees, provided no more than one eligibility
1183 certificate shall be issued under this subparagraph for the same facility
1184 within a three-year period. Of those facilities which are for

1185 warehousing and distribution, only those which are newly constructed
1186 or which represent an expansion of an existing facility qualify as
1187 manufacturing facilities. In the event that only a portion of a plant is
1188 acquired, constructed, renovated or expanded, only the portion
1189 acquired, constructed, renovated or expanded constitutes the
1190 manufacturing facility. A manufacturing facility which is leased may
1191 for the purposes of subdivisions (59) and (60) of section 12-81 and
1192 sections 12-217e, 32-9p to 32-9s, inclusive, as amended, and 32-23p, be
1193 treated in the same manner as a facility which is acquired if the
1194 provisions of the lease serve to further the purposes of subdivisions
1195 (59) and (60) of section 12-81, and sections 12-217e, 32-9p to 32-9s,
1196 inclusive, as amended, and 32-23p and demonstrate a substantial,
1197 long-term commitment by the occupant to use the manufacturing
1198 facility, including a contract for lease for an initial minimum term of
1199 five years with provisions for the extension of the lease at the request
1200 of the lessee for an aggregate term which shall not be less than ten
1201 years, or the right of the lessee to purchase the facility at any time after
1202 the initial five-year term, or both. For a facility located in an enterprise
1203 zone designated pursuant to said section 32-70, and occupied by a
1204 business organization with an average total employment of ten or
1205 fewer employees over the six-month period preceding acquisition,
1206 such contract for lease may be for an initial minimum term of three
1207 years with provisions for the extension of the lease at the request of the
1208 lessee for an aggregate term which shall not be less than six years, or
1209 the right of the lessee to purchase the facility at any time after the
1210 initial three-year term, or both, and may also include the right for the
1211 lessee to relocate to other space within the same enterprise zone,
1212 provided such space is under the same ownership or control as the
1213 originally leased space or if such space is not under such same
1214 ownership or control as the originally leased space, permission to
1215 relocate is granted by the lessor of such originally leased space, and
1216 such relocation shall not extend the duration of benefits granted under
1217 the original eligibility certificate. Except as provided in subparagraph
1218 (B) of subdivision (1) of this subsection, a manufacturing facility does

1219 not include any plant, building, other real property improvement or
1220 part thereof used or usable for such purposes which existed before July
1221 1, 1978.

1222 Sec. 30. Subsection (f) of section 32-94 of the general statutes is
1223 repealed and the following is substituted in lieu thereof:

1224 (f) The commissioner shall adopt regulations in accordance with
1225 chapter 54 to carry out the provisions of this section. Such regulations
1226 shall provide that establishments in the category of business services,
1227 as defined in the Standard Industrial Classification Manual, or in
1228 Sector 48, 49, 52, 54, 55, or 62, Subsector 114 or 561, or industry group
1229 5621 in the North American Industrial Classification System United
1230 States manual, United States Office of Management and Budget, 1997
1231 edition, shall be eligible for a certificate if they are located in an
1232 enterprise zone.

1233 Sec. 31. Subsection (h) of section 38a-866 of the general statutes is
1234 repealed and the following is substituted in lieu thereof:

1235 (h) Each insurer paying an assessment under sections 38a-858 to
1236 38a-875, inclusive, may offset fifty per cent of the amount of such
1237 assessment against its premium tax liability to this state accrued with
1238 respect to business transacted in such year. Each insurer which has
1239 offset assessments paid to the association [from] against its premium
1240 tax liability to the state shall pay to the [state] Department of Revenue
1241 Services fifty per cent of any sums which are acquired by refund from
1242 the association pursuant to subsection (f) of this section. The
1243 association shall promptly notify the commissioner [that such] of the
1244 name and address of the insurers to which such refunds have been
1245 made, the amount of such refunds, and the date on which such refunds
1246 were mailed to such insurer. If the amount that an insurer is required
1247 to pay to the Department of Revenue Services has not been so paid on
1248 or before the thirtieth day after the date of mailing of such refunds, the
1249 insurer shall be liable for interest on such amount at the rate of one per
1250 cent per month or fraction thereof from such thirtieth day to the date

1251 of payment.

1252 Sec. 32. This act shall take effect from its passage, except that
 1253 sections 3, 5, 6 and 7 shall be applicable to income years commencing
 1254 on or after January 1, 2000; section 8 shall take effect July 1, 2000, and
 1255 shall be applicable to calendar quarters commencing on or after said
 1256 date; section 10 shall take effect July 1, 2000; sections 11 and 14 shall be
 1257 applicable to reports for periods commencing on or after July 1, 2000;
 1258 sections 12 and 13 shall take effect July 1, 2000, and shall be applicable
 1259 to applications filed on or after said date; section 17 shall be applicable
 1260 to sales or transfers occurring on or after July 1, 2000; sections 18, 19
 1261 and 20 shall be applicable to taxable years commencing on or after
 1262 January 1, 2000; sections 22 and 24 shall be applicable to returns for
 1263 taxable years commencing on or after January 1, 2000; sections 23, 25
 1264 and 26 shall be applicable to returns for taxable years commencing on
 1265 or after January 1, 1999; section 27 shall be applicable to taxable years
 1266 commencing on or after January 1, 1999, but no interest shall be
 1267 allowed or paid on any overpayment resulting from the application of
 1268 said section for the taxable year commencing on or after January 1,
 1269 1999, but prior to January 1, 2000; section 28 shall be applicable to
 1270 assessments first due and payable on or after July 31, 2000; and section
 1271 31 shall be applicable to refunds made on or after July 1, 2000.

Statement of Purpose:

To make technical corrections in various tax laws; to modify a business tax credit regarding relocation of certain jobs; to clarify provisions regarding the traffic reduction tax credit; to incorporate references to North American Industrial Classification System codes where Standard Industrial Classification codes are indicated in various tax laws; to correct and clarify references in the hiring incentive tax credit; to clarify, for corporation business tax purposes, the tax shown on the prior year's return; to make certain requirements regarding gas distribution companies; to allow publication of names and addresses of certain regulated entities; to change the filing due date for the tobacco products tax return; to transfer responsibility for issuing importation certificates for alcoholic beverages from the Department of Consumer Protection to the Department of Revenue Services; to

eliminate the requirement that home-heating oil distributors obtain a surety bond; to reduce the information required of home heating oil distributors; to exempt from controlling interest transfer taxes certain sales or transfers; to eliminate certain tax modifications or credits relating to taxes paid to a Canadian province; to clarify certain domicile requirements for income tax purposes; to require notice when a change is made to taxpayer's federal adjusted gross income; to clarify when certain claims for refund or deficiency assessments are timely; to clarify agency's power relating to making a return on behalf of a nonfiling taxpayer; to allow for repayments under a claim of right; to transfer responsibility for the collection of certain assessments on public utilities to the Siting Council; to require insurers to pay interest on certain refunded membership assessments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]